

FISCAL NOTE

No. 1
 Bill Version: SB144
 (S) Publish Date: 4/23/99

STATE OF ALASKA
 1999 LEGISLATIVE SESSION

Revision Date/Time (Note if correction) _____ Dept. Affected DOT&PF
 Title "An Act relating to charitable gaming and to BRU Alaska Marine Highway System
gaming on state ferries;..." Component Southeast Vessel Operations
 Sponsor Senator Taylor
 Requester Senate Labor and Commerce Component Serial No. 630

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual		13.5	27.1	27.1	27.1	27.1
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	13.5	27.1	27.1	27.1	27.1

CAPITAL EXPENDITURES	0.0	160.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	90.5	181.0	181.0	181.0	181.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
AK Marine Highway System Fund		13.5	27.1	27.1	27.1	27.1
TOTAL	0.0	13.5	27.1	27.1	27.1	27.1

Estimate of any current year (FY99) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

(See Attached)

Prepared by Dennis Poshard, Legislative Liaison Phone 465-3904
 Division Office of the Commissioner Date/Time 4/21/99 2:08 PM
 Approved by Commissioner [Signature] Date 4/20/99
 Agency Department of Transportation and Public Facilities

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Fiscal Note Analysis

SB 144 #1

“An Act relating to charitable gaming and to gaming on state ferries; and providing for an effective date.”

Department of Transportation and Public Facilities

This bill would permit the use of video lottery machines aboard the Alaska marine highway system vessels. If the Department of Transportation were to implement the use of these machines, we estimate a total of 16 machines would be purchased for use aboard the vessels. These machines would be placed in the bar areas of the vessels which is restricted to those ages 21 and older. It is assumed an implementation date of January 1, 2001. Cost and revenue estimates follow:

Capital Costs:

Video lottery machines cost about \$10,000 each. The total initial capital cost would therefore be 16 X \$10,000 or \$160,000.

Operating costs:

The cost of maintaining the machines is estimated at 15 % of the net machine revenues. We estimate a total yearly net revenue of \$181,000. The cost of maintenance would therefore be \$27,100 per year in contractual services.

Other operating costs would include power, telecommunications, and perhaps fees to the Dept. of Revenue. It is estimated these costs would be negligible.

Revenue:

Estimates from other states indicate we can expect \$400 in net machine revenue for each week a machine is in operation. The total number of machine operating weeks for the Marine Highway fleet would be approximately 452. This takes into account the number of weeks the vessels are in service as well as how many machines are aboard each vessel. Our total annual revenue is therefore 452 X \$400 or \$181,000.

Note: The operating costs and revenues for FY 2001 are half the yearly total because of a start date of January 1, 2001, which would only provide six months of service the first year.